

2011-12 – 1st QUARTER STATUS REPORT – General Counsel (P. Mixon)

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Quantitative Performance Measures

Total Fund Performance

Weight	Performance Measure	Incentive Schedule	1 st Quarter Status
5%	Return deviation in basis points relative to: Total Fund performance versus Total Fund benchmark {SJ1CA1 – CPERSTO2IC} *Cost-adjusted Benchmark	-13 basis points = 0 +13 basis points = 1.0 27 basis points = 1.5	+16 bps {(7.00) – (7.16)}

Qualitative Performance Measures *(All performance measures utilize standard Qualitative incentive schedule unless otherwise noted)*

Business Plan / Enterprise Objectives

Weight	Performance Measure
45%	<ul style="list-style-type: none"> • Increase the diversity of applicants for outside counsel by expanding outreach and engagement efforts (EP 3; Obj 2) • Support the development and publication of two retirement security issue papers (EP 2; Obj 1) • Support the design and implementation of a robust, integrated operating model in the Investment Office, which minimizes complexity, improves transparency, and strengthens processes, systems and controls (EP 2; Obj 3) • Complete planned efforts of the organizational structure, processes, and cultural alignment initiatives (EP3; Obj 1) • Support implementation of the initial my CalPERS solution (September 2011)(EP1; Obj 1) • Support implementation of my CalPERS Release 2 (March 2012) (EP1; Obj 1) • Increase staff expertise and reduce reliance on consulting services to ensure the development and retention of core business expertise (EP3; Obj 4) • Support implementation of my CalPERS Member Self-Service (March 2012) (EP1; Obj 1) • Support recommendations for the Board on improvements to risk pooling, including allocation of salary experience (June 2012)(EP2; Obj 1) • Support development of a three to five year strategy for transforming health products and offerings to meet the needs of members and employers (December 2011)(EP2; Obj 2) • Support the integration of enterprise risk management into governance and culture (EP3; Obj 3)
1st Quarter Status: In progress. Outside counsel engagement and outreach process is in development. Completed readiness activities and launched first release of my CalPERS on 9/19/11. Provided leadership on pension reform, health strategy and risk management initiatives.	

Special Initiatives

Weight	Performance Measure
25%	<ul style="list-style-type: none"> • Develop and implement a plan to improve system governance and investment management as recommended by the Special Review • Support the Board Governance Project and develop an implementation plan for recommended governance changes, and provide support to Board in implementing desired changes • Conduct fiduciary training workshops for the Board and staff
1st Quarter Status: In progress. Implementation of non-investment Special Review recommendations nearly completed. Board Governance Project completed on time and within budget. Governance implementation plan developed and in progress. First readings of new committee delegations, CEO delegation, and agenda item and board/committee agendas approved. Fiduciary workshop scheduled for February 2012.	

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Executive Leadership

Weight	Performance Measure
15%	<p>Leadership: Acts in an ethical, honest and professional manner. Communicates a clear vision of CalPERS' mission and goals. Gains the confidence and commitment of others through enthusiastic expressions of support of the vision and values of the organization. Gains support for courses of action by sharing information, encouraging feedback, listening respectfully, and acknowledging individual concerns.</p> <p>Teamwork: Promotes teamwork and cross-functional collaboration and communication in support of CalPERS' strategic goals. Presents well-organized arguments that are issue-oriented, not personal. Resolves disagreements by first identifying common ground and then exploring differences. Shares credit for good ideas and acknowledges the contributions, creativity and abilities of others.</p> <p>Succession Planning: Participates in an ongoing succession planning program to assess the workforce and create strategies to retain and develop the skills of employees. Identifies training, development and knowledge transfer strategies to meet future workforce needs. Contributes to the enhancement of organizational competencies and skills by providing opportunities for individual staff development and improvement.</p> <p>Diversity and Inclusion: Demonstrates diversity and inclusion awareness and personally cultivates a positive work environment where the differences of all staff are recognized and valued. Leads strategies and approaches to increase the level of diversity within the CalPERS' workforce. Through personal example and leadership, fosters a climate where all are treated with dignity and respect.</p> <p>Executive / Board Relations: Effectively represents the enterprise at executive management meetings, stakeholder group meetings, and at CalPERS Board of Administration meetings. Prepares and/or directs the preparation of thorough and accurate Board agenda materials and provides sound technical consultation and appropriate recommendations. Makes clear and concise presentations to the Board of Administration and Board Committees on relevant issues.</p> <p>Business Planning and Fiscal Management: Leads the business planning process by establishing clear, measurable operational objectives which align with CalPERS' strategic Goals. Identifies resource requirements to support organizational priorities. Ensures cost-effective use of resources (i.e., operational expenses, equipment and staff resources) and contributes to the overall prudent management of CalPERS trust funds.</p> <p>Management of Risk: Ensures that policy and program decisions are made with consideration for potential financial, compliance, legal, security, operational, reputational, political, strategic, and other risks. Implements risk mitigation strategies. Gathers risk intelligence to support executive and Board decision-making.</p>
<p>1st Quarter Status:</p> <p>In progress. Led Leadership Mentoring training session on board presentations. Participating in a variety of cross-functional executive leadership positions including the Corporate Governance Working Group, My CalPERS Executive Committee, Diversity Steering Committee, Executive Risk Management, Pension Reform Group and Business Planning Group. Annual Business Plan and budget process are on-going. Leading efforts to change risk management reporting, tools and processes.</p>	

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Management Drivers

Weight	Performance Measure
10%	<p>Achieve improvements in enterprise management during fiscal year 2011/2012 through fulfillment of the following initiatives:</p> <ol style="list-style-type: none">1. Maintain an average position vacancy rate of 5 percent or less.2. Maintain a 90 percent completion rate for employee performance reviews (e.g., EPADs, probationary reports).3. Ensure that all Form 700 Statements of Economic Interest are filed by scheduled employees in compliance with the legally mandated April 1, 2012 due date.4. Ensure all scheduled employees complete the legally mandated AB 1234 ethics training course by June 30, 2012.5. Ensure operational resources are managed within prescribed budget limits.6. Resolve all outstanding audit findings within 12 months of receipt of audit report.7. Lead the efforts to strengthen the organization's commitment to the principles of diversity and inclusion by conducting a minimum of two diversity and inclusion awareness sessions with direct reports and by completing the Executive Diversity and Inclusion Journey course.8. Lead the efforts to reinforce the adoption of CalPERS' Core Values by conducting quarterly sessions with direct reports addressing the guiding behaviors emanating from the Core Values, and by spending a minimum of 2 hours per month on employee recognition.
1st Quarter Status: <p>General Counsel branch vacancy rate as of September 30, 2011 is 4.5%. All open positions are in process of examinations/recruitment.</p>	